

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 321 - HB 543

March 9, 2019

SUMMARY OF BILL: Requires additional notice and filing requirements performed by the delinquent tax attorney for delinquent property tax proceedings. Establishes certain liens are also to be included when calculating the price of a delinquent tax property in certain counties.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – A precise fiscal impact to local government revenue cannot reasonably be determined due to multiple unknown factors.

Assumptions:

- Tennessee Code Annotated § 67-5-2501 provides:
 - The court clerk representing the tax entity prosecuting the suit is required to make the initial bid on a property at a delinquent tax sale.
 - The bid made by the court clerk is required to include the debt due for taxes, interest, penalties, and the costs and fees incident to the collection thereof.
 - Up to 10 percent of the sale proceeds shall be applied first to payment of any unpaid balance of compensation due to the delinquent tax attorney.
- Pursuant to Tenn. Code Ann. § 13-6-102, receivers liens are only applied in certain counties against land that is considered a public nuisance. The proposed legislation will add receiver's liens, when applicable, to the bid price for delinquent tax properties.
- The proposed legislation will require the delinquent tax attorney to provide additional notice and filing requirements for each parcel of property included in a delinquent tax sale which could result in a higher rate of compensation assessed by the delinquent tax attorney.
- Additional liens and higher rates of compensation will result in higher bid prices on properties sold at a delinquent tax sale.
- Pursuant to Tenn. Code Ann. § 67-5-2507, if the county purchases land at a delinquent tax sale, the county may not sell the land at a future date for less than the total amount of taxes, penalty, cost, and interest unless the legislative body determines that it is impossible to sell the tract of land for this amount.
- Due to multiple unknown variables such as the extent of delinquent properties whose bid prices will increase as a direct result of this legislation, if the number of properties sold at a delinquent property tax sale will decrease as a result of higher bid prices, and the extent and timing of impact to county government revenue as a direct result of any

decreased number of properties sold at a delinquent tax sale, a precise fiscal impact to local government revenues cannot reasonably be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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